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American Embassy
 Praha, Czechoslovakia
 November 9, 1948

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No. 735

Subject: East-West Trade

Reference: 470211

The Honorable

The Secretary of State

Washington, D. C.

Sir:

I have the honor to enclose herewith the preliminary export and import plans of Czechoslovakia for the month of November, 1948, which were obtained from a source within the Ministry of Foreign Trade and are believed to be authentic.

Perusal of the planned trade of Czechoslovakia during this period emphasizes its varied composition, its continuing dependence upon areas outside the USSR and the Soviet orbit, and furnishes some indication of the relative importance of the various trade partners of Czechoslovakia including those in Western Europe.

It should be pointed out that Czechoslovakia, during November, 1948, contemplates the importation of 400 tons of aviation gasoline via Hamburg from the "RAF warehouse" and 200 tons of aviation oil from The Netherlands, which may impinge upon the present United States aviation policy toward the USSR and the Soviet satellites. Other items of interest which Czechoslovakia has planned to import during the present month of November are: natural rubber, 500 tons from Malaya, 100 tons from England (via Hamburg) and 100 tons from Nigeria (via Dutch ports); copper, 200 tons from Norway, 350 tons from Canada, 900 tons from Belgium and 200 tons from Mexico; crude oil, 18,000 tons from Iran and 5,000 tons from Rumania; aluminum, 60 tons from Switzerland; 4,000 tons of petroleum distillate products and 6,000 tons of mineral oil distillate products from Austria; and 100 tons of zinc bands, 100 tons of zinc alloy and 1,240 tons of zinc from Poland. Unfortunately more detailed descriptions of commodities to be exported and imported are not available.

With regard to the ability of Czechoslovakia to obtain commodities denied to it by the operation of the United States export license system, a Czechoslovak importer has observed that, with the exception of goods in short supply (he cited carbon black as an example) and specially designed equipment and machinery, nearly all goods denied export licenses directly from the United States are obtainable indirectly on the world markets for dollars, even though at increased prices. He cited intermediary countries as Switzerland, Portugal, Netherlands, Belgium and Sweden. He further stated that for a short time after March 1, 1948 it was difficult to arrange for delivery of these goods for which United States export licenses had been refused, but that at the present time channels

have been

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State Dept. review completed

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have been established which make possible the securing of most needed goods for Czech industry. The source was pressed to be more specific in his observations but either could not or would not do so. In this connection the passage of the new Czechoslovak law for the protection of the State seems to have some inhibiting influence upon sources of information and probably will make the securing of confidential information regarding the evasion of the United States export license regulations increasingly more difficult.

Being essentially a manufacturing and trading nation, Czechoslovakia has a large stake in the maintenance and increase of East-West trading. Czechoslovakia differs from the usual economic pattern of Soviet satellite, being highly industrialized and is itself a net importer of foodstuffs. Despite an increasing orientation of Czechoslovak foreign trade toward the USSR and other Soviet satellites within the past year all official pronouncements, including the statement of the Czechoslovak Foreign Minister at Paris on November 4, 1948, stress the desire for increased trade with Western Europe.

Respectfully submitted,

James K. Penfield
Charge d'Affaires, a.i.

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Enclosures: 2

1. Preliminary Import Plan
for November, 1948
2. Preliminary Export Plan
for November, 1948

CC: Office of Special Representative, Paris
Amblegation, Bern
Ambassy, Warsaw
" London
" The Hague
" Brussels

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Enclosure No. 1
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Preliminary Import Plan for November 1948

Via	Quantity in tons*	Commodity	Imported from
Antwerp	1,000	Miscellaneous goods	
Gdynia/	5,000	Wood pulp	Finland
Gdansk	100,000	Iron ore	Sweden ✓
	500	Cellulose	Sweden
	800	Cellulose	Finland
	100	Resin	U.S.A.
	<u>2,000</u>	Miscellaneous	
	108,400		
Hamburg	25	Dithyleglycol	Canada
	500	Natural rubber	Malaya ✓
	100	Natural rubber	England ✓
	10,000	Pyrites	Spain ✓
	400	Aviation gas	RAF warehouse ✓
	20	Ferromolybdenum	England ✓
	40	Ferromanganese	Norway ✓
	200	Copper	Norway
	350	Copper	Canada
	200	Copper	Mexico
	50	Wool	Australia
	50	Flax	South America
	10,000	Iron ore	Sweden
	<u>4,000</u>	Miscellaneous	
	25,935		
Dutch	100	Natural rubber	Nigeria ✓
Ports	<u>1,000</u>	Miscellaneous	
	1,100		
Rjeka	520	Cotton	Egypt
	20,000	Pyrites	Cyprus ✓
	2,000	Cotton	India
	<u>3,000</u>	Miscellaneous	
	25,520		
Trieste	1,000	Timber	Congo
	18,000	Crude oil	Iran
	500	Cotton	Sudan
	<u>2,000</u>	Miscellaneous	
	21,500		
Stettin	10,000	Pyrites	Sweden ✓
	7,000	Apatite	USSR
	30,000	Iron ore	Sweden
	<u>1,000</u>	Miscellaneous	
	48,000		

50 Dithylenglycol...

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<u>Via</u>	<u>Quantity in tons*</u>	<u>Commodity</u>	<u>Imported from</u>
	50	Dithylenglycol	Belgium
	500	Asphalt	
	130	Zinc	
	900	Copper	
	500	Flax	
	<u>2,000</u>	Miscellaneous	
	4,080		
	500	Miscellaneous	Bulgaria
	45	Refractory stones	France
	100	Fireproof clay	
	100	combed wool	
	<u>1,000</u>	Miscellaneous	
	1,245		
	300	Cylinder oil	Holland ✓
	200	Compressor oil	
	200	Aviation oil	
	200	Tin	
	30	Ferromolybdenum	
	150	Cotton waste	
	40	Cellulose waste	
	80	Flax	
	60	Artificial silk	
	<u>1,000</u>	Miscellaneous	
	2,260		
	100	Calcium soda	Italy
	800	Fluorite ✓	
	100	Artificial silk	
	<u>2,000</u>	Miscellaneous	
	3,000		
Railway	1,000	Hard wood logs	Jugoslavia
	<u>2,000</u>	Miscellaneous	
	3,000		
Danube	1,000	Poplar logs	Jugoslavia
	<u>20,000</u>	Pyrites	
	21,000		
	1,000	Paraffin oil	Hungary
	50	Walnut logs	
	<u>2,000</u>	Miscellaneous	
	3,050		
Bizonia	450	Fluorite	Germany
	5,000	Scrap iron	
	500	Fluorite ✓	
	<u>1520</u>	Miscellaneous	
	7,470		

USSR Zone

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Via	Quantity in tons*	Commodity	Imported from
	30	butylacetate	USSR Zone
	880	glass sand	
	25,000	salt	
	5,000	scrap iron	
	250	paraffin	
	5,000	gypsum	
	1,000	plaster	
	2,000	miscellaneous	
	<u>37,080</u>		
	50	Electrodes	Feland
	100	Zinc bands	
	100	Zinc alloy	
	1,240	Zinc	
	150,000	Coal	
	40	Flax	
	50	Artificial silk	
	2,000	Miscellaneous	
	<u>153,580</u>		
	4,000	Petroleum distillates	Austria
	900	Calcium soda	
	6,000	Mineral oil distillates	
	30	Staple fiber	
	1,000	Miscellaneous	
	<u>11,930</u>		
Railway	100	Calcium soda	Rumania
	1,500	Miscellaneous	
	<u>1,600</u>		
Damube	5,000	Crude oil	Rumania
	100	Paraffin	
	<u>5,100</u>		
	500	Soft wood logs	USSR
	900	Sulphuric acid	
	300	Sulphur	
	200	Sunflower seed oil	
	500	Chrome ore	
	500	Manganese	
	300	Wood oil	
	5,000	Cotton	
	<u>8,200</u>		
	60	Aluminum	Switzerland
	30	Artificial silk	
	2,000	Miscellaneous	
	<u>2,090</u>		

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Preliminary Export Plan for November 1948

Via	Quantity in tons*	Commodity	Exported to
Antwerp	100	Matches	Overseas *
	100	Glass	Iceland
	100	Footwear	Belgian Congo
	900	Miscellaneous	
	1,200		
Hamburg	14,000	Sugar	Finland, Norway, Overseas
	500	Malt	Brazil
	1,800	Lumber	England
	400	Plywood	Egypt, England, Kenya
	3,200	Steel & rolled material	Sweden, Argentina
	30,000	Cement	South America
	100	Paper, chemical products	England
	7,000	Magnesite	
	57,000		
Amsterdam	100	Matches	Overseas
	400	Rolled material	Venezuela
	100	Machines	Portugal
	100	Footwear	Africa, Venezuela
	1,000	Miscellaneous	
	1,700		
Rotterdam	250	Malt	British East Africa
	300	Lumber, matches	Iceland, Overseas
	400	Rolled material	South Africa
	1,500	Glass	England
	400	Rolled material	Africa, Hong-Kong
	100	Chemicals	England, Brazil, USA
	100	Footwear	Iceland, Canada, Sudan
	3,000	Miscellaneous	
	6,050		
Trieste	1,000	Lumber	Greece, Egypt, Sudan
	100	Rolled material	Palestine
	500	Glass	Turkey, Egypt, India
	100	Chemicals	Turkey, Greece, Egypt
	100	Footwear	Iran
	3,000	Miscellaneous	
	4,900		
Danube	8,500	Rolled material	Jugoslavia, Bulgaria
	100	Shoes, Glass	Bulgaria, Turkey
	1,400	Miscellaneous	
	10,000		

Via Gdynia....

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Via	Quantity in tons*	Commodity	Exported to
Gdansk	100	Shoes	Finland
	200	Miscellaneous	
	300		
Rjeka	5,000	Sugar	Overseas
	100	Chemicals	Palestine, Turkey
	1,000	Miscellaneous	
	6,100		

CONTINENT

1,000	Malt	Belgium-Luxemburg
200	Lumber	
100	Glass	
500	Clay	
100	Chemical products	
100	Shoes	
400	Miscellaneous	
2,400		
200	Rolled material	Bulgaria
100	Glass	
100	Bricks	
300	Miscellaneous	
700		
100	Lumber	Denmark
700	Rolled material	
1,100	Kaolin	
100	Bricks	
100	Chemicals	
500	Miscellaneous	
2,600		
6,000	Coke	France
900	Lumber	
200	Matches, furniture	
100	Glass	
300	Chemical products	
1,000	Miscellaneous	
8,500		
10,900	Lumber, furniture	Holland
800	Rolled material	
700	Glass	
1,000	Clay	
100	Burnt slate clay	
1,000	Chemicals	
1,500	Miscellaneous	
16,000		

Italy...

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Enclosure No. 3
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Via	Quantity in tons*	Commodity	Exported to
	3,500	Sugar, malt	Italy
	11,500	Coal	
	2,500	Lumber	
	100	Rolled material	
	1,500	Glass	
	4,400	Kaolin	
	900	Burnt slate clay, bricks	
	100	Propane-butane	
	100	Discolored powder	
	2,000	Miscellaneous	
	<u>26,600</u>		
	9,500	Coke	Jugoslavia
	2,075	Rolled material	
	100	Machines	
	2,100	Glass	
	900	Kaolin	
	600	Burnt slate clay, bricks	
	1,200	Miscellaneous	
	<u>16,475</u>		
	28,000	Coal, coke	Hungary
	4,900	Lumber	
	10,000	Slovak iron ore	
	4,800	Kaolin	
	200	Burnt slate clay	
	100	Phenol - cresol	
	1,400	Miscellaneous	
	<u>50,000</u>		
	400	Coal	Germany
	84,500	Coal	(USSR & US Zone)
	2,700	Kaolin	
	5,000	Coke	
	100	Shoes	
	500	Miscellaneous	
	<u>93,200</u>		
By ferry	300	Glass	Norway
	500	Miscellaneous	
	<u>800</u>		
	14,700	Coke	Ireland
	1,100	Lumber	
	800	Ferro-concrete	
	2,800	Rolled material	
	300	Shoes, machines	
	5,900	Kaolin	
	100	Vanadium compound	
	2,000	Miscellaneous	
	<u>27,700</u>		

Austria...

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<u>Via</u>	<u>Quantity in tons*</u>	<u>Commodity</u>	<u>Exported to</u>
	2,000	Sugar	Austria
	70,000	Coal	
	15,000	Coke	
	100	Furniture	
	1,800	Rolled material	
	2,900	Clay, bricks	
	300	Propane-butane, glass, chemicals	
	1,000	Miscellaneous	
	<u>93,100</u>		
	2,000	Kaolin	Rumania
	3,000	Coke	
	170	Dinas, bricks	
	100	Chloride of ammonium	
	<u>5,270</u>		
	500	Glass	Sweden
	700	Kaolin	
	200	Phenol-cresol, chemicals	
	1,500	Miscellaneous	
	<u>2,900</u>		
	2,500	Machines	USSR
	20,000	Sugar	
	6,400	Rolled material	
	300	Glass	
	350	Phenol-cresol	
	3,000	Miscellaneous	
	<u>32,450</u>		
	5,000	Malt, sugar	Switzerland
	12,700	Coal	
	200	Lumber	
	200	Glass	
	1,100	Kaolin	
	150	Burnt slate clay, bricks	
	100	Chemical products	
	100	Shoes	
	2,500	Miscellaneous	
	<u>23,050</u>		

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